

## MONTANA DISTRICT OFFICE E-NEWS

April 2011

### SBA ANNOUNCES JOE MCCLURE TO LEAD MONTANA DISTRICT OFFICE New District Director to Begin Duties in May



Dan Hannaher, Region VIII Regional Administrator of the U.S. Small Business Administration, today announced the selection of Joe McClure as the new district director for the Montana SBA office. He will officially start his duties at the District Office on May 6th after executive training in D.C.

Commenting on the selection of Mr. McClure, Hannaher said "I'm confident that Joe McClure is going to be an outstanding leader for the Montana SBA district office. Joe brings with him a depth of knowledge in economic development; and he understands the needs of small business. But even more importantly, he knows Montana; its people and its culture. The future looks bright for the SBA in Montana."

McClure has 18 years of economic development experience and 11 years of executive level management experience. McClure comes to SBA from the City and County of Broomfield, Colorado as Director of Economic Development. Prior to his position in Colorado, he was Executive Director for Yellowstone County Big Sky Economic Development Authority and Big Sky Development Corporation in Billings for nearly 7 years. He was responsible for the overall leadership of the organization and directed a staff of 15 for this multi-program county-wide economic development organization and oversaw the administration of a \$1.5 million budget. His knowledge and understanding of the needs of both small business owners and the small business lending community will support him in the position of District Director.

"I am honored to have been selected for this very important position in Montana," stated McClure. "Small business is key to the state's economy with small firms comprising nearly 98% of the state's employers, and the SBA has been a part of the success of so many of those businesses. I'm also excited to have the opportunity to return to Montana and join the excellent staff at the Montana District Office and work with my good friends and colleagues in the lending and economic development communities throughout the state. During my almost 18 years in economic development, I have had the pleasure of working with the many SBA programs and services, and I now look forward to supporting the small business community from within the agency and to build on the success of my predecessor, Michelle Johnston, who served the state's small business community for so many years."

"When you look for a new director for a SBA district office, you look for someone who is the right fit for the office, our SBA partners and for the community the office serves. After review of a broad selection of highly qualified candidates, I believe in Joe McClure we have found the right fit for the small business community in Montana," added SBA Regional Administrator Dan Hannaher.

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Helping small businesses  
start, grow and succeed.



Your Small Business Resource

### SBA Releases Montana's Mid-Year Loan Numbers

During the first half of fiscal year 2011, the Montana SBA District Office approved 256 loans totaling \$72,937,000. Of the 256 loans, 241 totaling \$6.46 million were approved under SBA's flagship 7(a) guaranteed loan program, and 15 loans totaling \$8.3 million were made through the 504 Certified Development Company Program, a program that provides growing businesses with long-term fixed-rate financing for major fixed assets, such as land and buildings.

**Breakout of total loans approved during the first half of FY2011**

- Forty-six loans totaling \$6,787,200 loans were made to women owned businesses
- 19 loans totaling almost \$6.5 million were made to veterans

- 15 loans worth over \$3 million were made to minority business owners
- 76 loans for \$18.2 million were to new businesses
- The most frequently financed businesses included: restaurants, landscaping services, hotels and motels, site preparation contractors, snack and nonalcoholic beverage bars, and veterinary services.

On September 27, 2010, President Obama signed into law the Small Business Jobs Act, the most significant piece of small business legislation in over a decade. The Small Business Jobs Act impacted SBA by putting more capital into the hands of small business owners.

"SBA loans continue to be a critical tool for providing needed capital to small businesses which enable them to grow and create jobs," stated Robert Much,

Acting District Director. "Thanks to the Small Business Jobs Act, Montana small businesses will have greater access to the capital needed."

The Small Business Jobs Act made permanent enhancements to SBA programs, such as raising the maximum size of our top two loan products (7(a) and 504) from \$2 million to \$5 million. In addition, temporary provisions in the new law include a Dealer Floor Plan financing pilot as well as a program that allows some owner-occupied businesses to refinance their commercial real estate mortgages using an SBA loan.

Click here <http://www.sba.gov/content/small-business-jobs-act-2010> for more information on the Small Business Jobs Act.

## MONTANA SMALL BUSINESS WEEK WINNERS ANNOUNCED

The winners for the 2011 SBA Small Business Week Awards are:

### Small Business Person

Steve Marks  
Marks Lumber  
Helena

### Young Entrepreneur

Alex "Papu" Rincon, Jr.  
fourOsix  
Helena

### 1<sup>st</sup> Runner-up Young Entrepreneur

Nick Bennett  
Montana Mobile Meats LTD  
Bozeman

### Financial Services Champion

Brandon Berger  
Big Sky Economic Development  
Authority

### Billings

### Women in Business Champion

Christine Johnson  
Clover Creative Consulting  
Missoula

### Home-based Business Champion

Becky Stahl  
Becky's Berries  
Absarokee

### Minority Small Business Champion

James Parker Shield  
War Shield Development  
Great Falls

### Small Business Community

Billings

### You're Invited!

2011  
SBA Small Business Week  
Awards Luncheon

12:30 p.m.  
June 2, 2011  
Red Lion Colonial Hotel  
Helena

Visit [www.sba.gov/mt](http://www.sba.gov/mt)  
for registration information.

In conjunction with the Small Business Week Awards Luncheon, the SBA and other organizations will hold a

**Lending & the Small Business Jobs Act**  
Workshop for lenders and other resource partners.

June 2, 2011  
8:00 a.m. - 12:00 p.m.

In March the Montana District Office held two events to celebrate Women's History Month. An awards reception in conjunction with the Great Falls SBDC and a small business workshop in Helena with the Helena SBDC, SCORE and the Helena Chamber.

And will be holding two events to celebrate Financial Literacy Month. One in Kalispell on May 4th and one in Butte on April 26th, call 406.441.1081 for more information.

## LENDER CORNER

### IMPORTANT FRANCHISE REGISTRY INFORMATION

#### For All SBA Lenders:

#### **FRANCHISE ELIGIBILITY:**

Lenders must follow the procedures set forth below to determine franchise program eligibility for a loan application.

(1) Check [www.franchiseregistry.com](http://www.franchiseregistry.com) to determine if the agreement is listed.

#### (a) Listed on Registry

If the Agreement which the lender is processing is the same as listed on the Registry (and the lender must review the pertinent footnotes), lender may process the application relying on the Registry to determine the acceptability of the Agreement. If SBA has required an addendum, per a footnote, the lender must obtain an executed addendum to show compliance with the requirement. The lender's file must include one of the following forms:

#### (i) Certification of No Change or Non-Material Change

If there have been no material changes to the documents in any way since the initial registration or last revision date on the Registry, the review process

has been completed and the Loan File should be documented with the following:

- (a) Executed Agreements; and
  - (b) Executed Certification of No Change or Non-Material Change.
- (ii) Certification of Material Change  
If there has been a material change, the certification should be forwarded to the SBA Franchise Counsel. A review of the Agreement and all related documents is required as if not listed on the Registry.
- (iii) Certification Not Provided If a certification is not provided, a review of the Agreement and all related documents is required as if not listed on the Registry.

#### (b) Not Listed on Registry

- (i) If the Agreement is not listed on the Registry, a review must be made of the Agreement and all related documents. You may submit the documentation to the local district office for review.
- (ii) Lenders must also consult the franchise findings list at <http://www.sba.gov/content/franchise-findings> to see if there have been any findings for a particular Franchise/License/Dealer/Jobber or similar agreement thus making the Agreement ineligible. The

information provided by the SBA Franchise Findings List should be used by Lenders to ensure they are making informed eligibility determinations. Lenders should consult the findings list for potential remedies to ineligible agreements.

(iii) If an Agreement has been determined to be ineligible with no fix negotiated and the noted section(s) remain in the Franchise/License/Dealer/Jobber or similar agreement, then the Agreement should be determined to be ineligible. Lender may contact the SBA Franchise Counsel for additional guidance.

#### **FRANCHISE REGISTRY:**

There is a private portion of the Registry website which only Lenders, CDCs, and SBA legal and financial personnel can access. The private portion contains the franchise agreements, addendums and other documents that franchisees **must sign** ("Franchise Documents") for registered franchise systems. Provisions of the Franchise Documents related to eligibility are marked so that users can locate them easily.

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**ALERT!** Many franchisors listed on the Registry have agreed to use addendums that bring the franchise agreement into compliance with SBA Guidelines. **The exclusion of the addendum in the SBA loan package makes the franchise agreement ineligible.** Please request the addendum from the franchisor or **log into** the [private section](#) to access the addendum that is necessary for the specific franchise agreement that is part of the loan package you are processing.

- Certificate of Change/No Change
- Lenders no longer have to review contracts for franchisee loan applications from eligible systems. If the franchise system is on the registry, you may accept a "Certificate of No

Change or Non-Material Change" in lieu of reviewing the contract.

- If an eligible system files a "Certification of Material Change", you must forward the certificate and all documents to SBA's contractor-FRANdata, at:

**Attn: SBA Franchise Registry 4300 Wilson Boulevard, Suite 480 Arlington, VA 22203**

- These forms are available by clicking [Forms](#).

- **Usernames and Passwords**

**If you have not received your individual username and/or password, contact Patty Scott, Lead Loan Specialist at**

**[patty.scott@sba.gov](mailto:patty.scott@sba.gov) or 916-735-1984. Please be sure to include your full bank name, SBA Lender ID, street address, and a phone number where you can be reached.**

\*\*\*\*\*In the next several weeks changes will be made to the franchise registry site and ALL lenders will need to have a Username and Password in order to access specific documents related to approved franchises that must be included in your loan packages. We encourage you to contact Patty Scott above to request your Username and Password at your earliest convenience.

## MDO WELCOMES SHARON FRANJEVIC TO THE TEAM

The Montana District Office welcomed Sharon Franjevic in late December as the Program Support Assistant.

Sharon has over 25 years bank experience, most recently as a Senior Loan Review Officer for a com-

munity bank in Helena, MT, with a background in the area of loan review and audit. She had prior federal employment experience for the Federal Deposit Insurance Corporation as a bank examiner.

Sharon has lived in Helena for 14 years and is married with one daughter.

## CONTRACTOR'S CORNER

### WOMEN-OWNED SMALL BUSINESS CONTRACTING PROGRAM

Women-owned small businesses can begin taking steps to participate in a new federal contracting program. The new Women-Owned Small Business (WOSB) Federal Contract Program will be fully implemented over the next several months, with the first contracts expected to be awarded by the fourth quarter of fiscal year 2011.

The WOSB Federal Contract Program will provide greater access to federal contracting opportunities for WOSBs and economically-disadvantaged women-owned small businesses (EDWOSBs). The Program allows contracting officers, for the first time, to set aside specific contracts for certified WOSBs and EDWOSBs and will help federal agencies achieve the existing statutory goal of five percent of federal contracting dollars being awarded to WOSBs.

On Feb. 4, SBA released instructions on how to participate in the program, as well as launch the secure, online data repository for WOSBs to upload required documents, on its website: [www.sba.gov/wosb](http://www.sba.gov/wosb). SBA has also released an application to become an SBA-approved third party certifier for this program. This will be the first version of the application. SBA welcomes comments and suggestions on this first version of the application.

SBA is encouraging small business owners to review program requirements and ensure their required documents are uploaded to the repository. WOSBs also will need to update their status in the Central Contractor Registration (CCR) and the Online Representation and Certification Application (ORCA) to indicate to contracting officers that they are eligible to participate.

Similarly, the WOSB rule in the Federal Acquisition Regulation (FAR), which is the companion to the SBA rule, was just finalized and released this month. With these pieces in place, SBA expects to see the first contracts awarded through the program by the all-important fourth quarter, when the largest percent of federal contracts are awarded.

Every firm that wishes to participate in the WOSB program must meet the eligibility requirements and either self-certify or obtain third party certification. At this time, SBA has not approved any third party certifiers. Regardless of their certification method, WOSBs must also upload required documents proving their eligibility to a secure online data repository developed and maintained by SBA.

To qualify as a WOSB, a firm must be at least fifty-one percent owned and controlled by one or more women, and primarily managed by one or more

women. The women must be U.S. citizens and the firm must be considered small according to SBA size standards. To be deemed "economically disadvantaged", a firm's owners must meet specific financial requirements set forth in the program regulations.

The WOSB Program identifies eighty-three four-digit North American Industry Classification Systems (NAICS) codes where WOSBs are underrepresented or substantially underrepresented. Contracting officers may set aside contracts in these industries if the contract can be awarded at a fair and reasonable price, the contracting officer has a reasonable expectation that two or more WOSBs or EDWOSBs will submit offers for the contract and the anticipated contract price is not greater than \$5 million for manufacturing contracts and \$3 million for other contracts.

Each stage of implementation is part of SBA's mission to make the Program efficient and user-friendly, and to ensure its benefits go only to qualifying WOSBs. SBA is excited to launch this new program to provide WOSBs with increased opportunities to compete for and win federal contracts, ultimately helping WOSBs create and retain more jobs.

FOR MORE INFORMATION ON THE WOMEN-OWNED SMALL BUSINESS PROGRAM OR TO ACCESS THE INSTRUCTIONS, APPLICATIONS OR DATABASE, PLEASE VISIT [WWW.SBA.GOV/WOSB](http://WWW.SBA.GOV/WOSB).

## MONTANA SBA LOAN ACTIVITY FY2011 (10/01-03/31) RANKED BY NUMBER OF SBA LOAN APPROVALS

Lender Name	#	\$
VALLEY BANK OF HELENA	38	\$5,927,200
YELLOWSTONE BANK	29	\$9,034,200
FLATHEAD BANK OF BIGFORK	25	\$6,801,000
FIRST INTERSTATE BANK	20	\$8,436,200
STOCKMAN BANK OF MONTANA	16	\$2,784,400
MOUNTAIN WEST BANK NATIONAL ASSOCIATION	14	\$4,785,600
GLACIER BANK	13	\$3,239,000
WESTERN SECURITY BANK	13	\$1,077,200
FIRST SECURITY BANK - MISSOULA	8	\$1,703,000
BIG SKY ECONOMIC DEVELOPMENT CORPORATION	8	\$6,606,000
ROCKY MOUNTAIN BANK	7	\$3,146,500
U.S. BANK NATIONAL ASSOCIATION	6	\$119,100
MONTANA COMMUNITY FINANCE CORPORATION	6	\$1,032,000
FIRST SECURITY BANK OF HELENA	5	\$620,500
FARMERS STATE BANK	4	\$814,300
WELLS FARGO BANK NATIONAL ASSOCIATION	3	\$1,910,400
FIRST CITIZENS BANK OF BUTTE	3	\$868,700
THREE RIVERS BANK OF MONTANA	3	\$903,000
FIRST SECURITY BANK	3	\$353,800
FLINT CREEK VALLEY BANK	3	\$1,127,900
VALLEY BANK OF GLASGOW	2	\$455,000
TREASURE STATE BANK	2	\$241,500
STEARNS BANK NATIONAL ASSOCIATION	2	\$436,000
LIVE OAK BANKING COMPANY	2	\$1,550,000
BRIDGER NATIONAL ASSOCIATION	2	\$195,900
RUBY VALLEY NATIONAL BANK	1	\$192,000
EAGLE BANK	1	\$250,000
BANK OF RED LODGE	1	\$405,000
MANHATTAN BANK	1	\$136,000
BANK OF BOZEMAN	1	\$60,000
AMERICAN FEDERAL SAVINGS BANK	1	\$75,100
LITTLE HORN STATE BANK	1	\$340,000
EVOLVE BANK & TRUST	1	\$1,351,000
SUPERIOR FINANCIAL GROUP, LLC	1	\$5,000
HIGH PLAINS FINANCIAL, INC.	1	\$668,000
CELTIC BANK CORPORATION	1	\$900,000
BIG SKY WESTERN BANK	1	\$200,000
FIRST BANK OF LINCOLN	1	\$450,000
BORREGO SPRINGS BANK, N.A.	1	\$25,000
NEWTEK SMALL BUSINESS FINANCE INC.	1	\$215,000
COMPASS BANK	1	\$1,509,300
PRAIRIE MOUNTAIN BANK	1	\$200,000
1ST BANK	1	\$168,000
FREEDOM BANK	1	\$1,619,200
<b>Grand Total</b>	<b>256</b>	<b>\$72,937,000</b>